

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL/REDEVELOPMENT AGENCY
RIALTO HOUSING AUTHORITY
RIALTO UTILITY AUTHORITY**

**MINUTES
March 10, 2009**

A regular meeting of the City Council/Redevelopment Agency of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday, March 10, 2009.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

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CALL TO ORDER

Mayor Vargas called the meeting to order at 5:00 p.m.

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The roll was called and the following were present: Mayor Vargas, Mayor Pro Tem Baca Jr., Council Member Palmer. Also present were City Administrator Garcia and City Clerk McGee. Council Member Robertson and Council Member Scott were absent.

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SUB-SEQUENT NEED ITEM

City Attorney Gutierrez requested that they add an item to the agenda as TAB 8. This is a Memorandum of Understanding between the West Valley Water District and the City of Rialto Utility Authority. The purpose is to make a joint application for Prop. 84 funding. The reason it was not on the Agenda because it wasn't entered into by the staff until yesterday afternoon and there is a need to take action because they need to do the funding cycle with West Valley Water District and they will approve it at their meeting on Thursday. He needs a unanimous vote of the three members present just to add it to the Agenda and then he will present the staff report.

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SUB-SEQUENT NEED ITEM

Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 3-0 vote to add the sub-subsequent need item to the agenda. Council Member Robertson and Council Member Scott were absent.

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CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation. The City Council and Redevelopment Agency Board will discuss the following pending litigation pursuant to Government Code Section 54956.9(a)

(a) City of Rialto v. United States Department of Defense, et al.
United States District Court Case No. EDCV 04-00079)

(b) Joyce Lugo vs. City of Rialto
(EAMS Case No. ADJ3594349 (SBR02886))

2. The City Council will conduct a Public Employee Evaluation pursuant to Government Code Section 54957:

Title: City Administrator

3. Conference with Real Property Negotiator. The City Council and Redevelopment Agency Board will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8:

Subject: Price and Terms
Location: 1655 West Rialto Avenue/Arrow
Terrace Project
Negotiators: Robb R. Steel and John Dutrey,
Redevelopment Agency
Josh LaBarge and Steve Bram,
SCHRDL LLC

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 3-0 vote to go into Closed Session. Council Member Robertson and Council Member Scott were absent.

City Council went into Closed Session at 5:06 p.m. and returned at 5:16 p.m.

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CALL TO ORDER

Mayor Vargas called the meeting to order at 6:06 p.m.

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The roll was called and the following were present: Mayor Vargas, Mayor Pro Tem Baca Jr., Council Member Palmer. Also present were City Administrator Garcia, City Attorney Gutierrez and City Clerk McGee. Council Member Robertson and Council Member Scott were absent.

Council Member Robertson arrived at 6:10 p.m.

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Pledge of Allegiance and Invocation

Mayor Grace Vargas led the pledge of allegiance and Reverend Jose Vindel – Rialto United Methodist Church gave the Invocation.

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CITY ATTORNEY'S REPORT ON CLOSED SESSION

City Attorney Jimmy Gutierrez stated that the City Council discussed two items of existing litigation. City of Rialto v. United States Department of Defense, et al.; City Council heard a status report on this case. The next was Joyce Lugo vs. City of Rialto; there was discussion regarding the settlement and direction was given but no final action was taken. There was discussion as to the evaluation of the City Administrator. Conference with Real Property Negotiator the conversation stated but was truncated due to the absence of Council Member Robertson and Council Member Scott. It was felt that they should hear the matter before any further direction or action was taken.

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PRESENTATIONS

Mayor Vargas presented a wrist watch to Retired Captain Mike Peel for his 34 years of service to the Rialto Fire Department. Council Member Palmer presented certificates of recognition for service to the members of the Fire Department.

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Regina Rangi, Chamber of Commerce President presented the Chamber of Commerce Quarterly Report.

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Mayor Pro Tem Baca Jr. congratulated the Rialto High School Girls Basketball Team and introduced Interim School Superintendent Dr. Harold Cebrun, Sr. and School Board Members Joseph Martinez and Joseph Ayala.

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Dale Estvander, Vice Chairperson presented the Planning Commission Annual Report 2008.

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PRESENTATIONS

Bob Watson, Code Enforcement Supervisor presented the monthly Code Enforcement Update.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

1. Resolution No. 31 (2/20/09)
2. Resolution No. 32 (2/27/09)

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C. APPROVAL OF MINUTES

1. Regular RDA/RHA/RUA/City Council Workshop-
February 24, 2009

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D. SETTING OF PUBLIC HEARINGS

1. Request RDA/City Council to set a Joint Public Hearing for the **March 24, 2009** City Council Meeting between the City Council and the Redevelopment Agency to consider a Cooperation Agreement and Purchase and Sale Agreement with Brownfield Group, LLC pursuant to health and safety code section 33445 and 33679.
2. Request City Council to set a Joint Public Hearing for the **March 24, 2009** City Council Meeting between the City Council and the Redevelopment Agency to consider a Cooperation Agreement related to the Construction of the Riverside I-10 Interchange pursuant to health and safety code section 33445 and 33679.

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E. MISCELLANEOUS

1. Request City Council to receive and file the 2007/2008 Development Impact Fee Report per Government Code Section 66006.
2. Request City Council to adopt **Resolution No. 5680** initiating proceedings for the annexation of Tract 17219, to the Rialto Landscaping and Lighting District No. 2; and the levy and collection of assessments related thereto commencing with fiscal year 2009/20210 and adopt **Resolution No. 5681** declaring intention to annex Tract 17219 to the Rialto Landscaping and Lighting District No. 2; and declaring intention to conduct a property owner protest ballot proceeding and setting a Public Hearing for **April 28, 2009.**

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Council Member Robertson stated that she would like to make note that they are calling for a public hearing on Consent Calendar Item E-2. This is an increase in fees to the Landscaping and Lighting District No. 2 and there are a number of sections in the City.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 4-0 vote to approve the consent calendar. Council Member Scott was absent.

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Council Member Palmer stated that he will need to abstain from voting on TAB 1 and TAB 2 due to a conflict of interest.

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PUBLIC HEARING

TAB 1 – issuance of Multi-Family revenue Bonds for Vista Cascade Neighborhood Project

John Dutrey, Housing Manager, stated that this is the Willow/Winchester Revitalization Project Phase 2, Cascade Neighborhood Project. This is an area of 42 units that the City/Agency acquired last year. They will rehabilitate these units and make them affordable housing. Once completed they will be combined with Citrus Grove. This item is to approve the issuance of multi-family revenue bonds by the California Statewide Communities Development Authority. They will issue and regulate the bonds.

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Motion by Council Member Scott, second by Mayor Pro Tem Baca Jr. and carried by unanimous vote to close the public hearing.

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Mayor Vargas declared the public hearing open. No one came forward.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Robertson and carried by a 3-0 vote to close the public hearing. Council Member Scott was absent. Council Member Palmer abstained.

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PUBLIC HEARING

TAB 1 – issuance of Multi-Family revenue Bonds for Vista Cascade Neighborhood Project

Motion by Mayor Pro Tem Baca Jr., second by Council Member Robertson and carried by a 3-0 vote to adopt **Resolution No. 5682** approving the Issuance of Multi-Family Revenue Bonds by the California Statewide Communities Development Authority for the Willow Winchester Neighborhood Revitalization Project Phase 2 (Vista Cascade Neighborhood). Council Member Scott was absent. Council Member Palmer abstained.

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TAB 2–Affordable Housing Agreement Amendment No. 1 with National CORE for Vista Cascade Neighborhood Project

John Dutrey, Housing Manager stated that part of the funding source that was approved earlier in the Affordable Housing Agreement November 2007 included receiving or applying for multi-housing program loan from the State of California of \$3.1 million. October 2008 the National CORE went ahead and issued an application to the State and because of a number of changes in the program they were not awarded for this particular project. These funds are no longer an option for this project. Because of requirement changes and savings in acquisition cost they were able to save money. They are proposing to modify the budget for this project from a \$14.4 million to a \$12.2 million project.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Robertson and carried by a 3-0 vote to adopt **RHA Resolution No. 0002-09** approving the First Amendment to Affordable Housing Agreement Amendment No. 1 by and between the Housing Authority and National Community Renaissance of California in regards to the Vista Cascade Neighborhood Project. Council Member Scott was absent. Council Member Palmer abstained.

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NEW BUSINESS

TAB 3 – Assignment of Council Member to CONFIRE Board

City Clerk McGee stated that this item is being brought back for appointment and approval. On January 13, 2009 City Council wanted to appoint staff to represent the City at CONFIRE. However, in the Joint Powers Authority Agreement it states a member of the governing board must be appointed to the CONFIRE Board.

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Mayor Pro Tem Baca Jr. nominated Council Member Ed Palmer as the primary representative and Mayor Vargas as the alternate.

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City Attorney Gutierrez stated that the Mayor needs to make the appointment and City Council concurs.

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NEW BUSINESS

TAB 3 – Assignment of Council Member to CONFIRE Board

Mayor Vargas nominated Council Member Ed Palmer as the primary representative and Council Member Deborah Robertson as the alternate.

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Motion by Mayor Pro Tem Baca Jr., second by Mayor Vargas and carried by a 4-0 vote to appoint Council Member Ed Palmer as the primary representative and Council Member Deborah Robertson as the alternate to the CONFIRE Board. Council Member Scott was absent.

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TAB 4 – Revision of the Veolia Services Agreement

Ahmad Ansari, Public Works Director stated that this for approval of a revision to the Veolia Services Agreement, increase the capital repair and replacement allowance to \$153,000 and increase operations and maintenance allowance to \$97,000. Phase I of the Wastewater Treatment Plant upgrade is near completion. The project is intended to enable the City to qualify for an SGIP Grant from Southern California Gas Company – self generating incentive program for over \$4 million. There are two fixes that need to be done before the plant can show a total usage of 900 kilowatts to qualify for this grant. The first is to restore the ultraviolet disinfections system for an estimated 400 kilowatts of electricity. The second fix is the electrical connection of the plant aeration blowers for an estimated 300 kilowatts of usage. The City agreed to do the first fix and Chevron agreed to do the second fix. With Veolia offering the lowest cost and having provisions in the existing agreement for capital repairs and replacements, staff recommends a revision to the provisions by increasing the amounts.

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ORAL COMMUNICATIONS

June Hayes, P.O. Box 2395, supports the repair of the UV System.

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Council Member Palmer asked what is the timeline if this gets approved tonight to allocating the money and getting the repairs done and applying for the grant.

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Ahmad Ansari, Public Works Director stated that it will take 4-5 weeks.

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Council Member Robertson stated that she had the opportunity to get a good update and comprehensive overview of what is going on at the Wastewater Treatment Facility. She feels Veolia is doing a good job, along with Chevron working on a project.

NEW BUSINESS

TAB 4 – Revision of the Veolia Services Agreement

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Motion by Council Member Robertson, second by Council Member Palmer and carried by a 4-0 vote to authorize the Revision of the Veolia Service Agreement Section 5.07 (c) (3) to increase the Capital Repair and Replacement Funds Allowance to \$153,000 to Repair the ultra Violet System, Increase Operation and Maintenance Allowance by \$97,000 and adopt **Resolution No. 5683**. Council Member Scott was absent.

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TAB 5 – Increase of franchise fees and vehicle release fees

Police Chief Mark Kling stated that this for approval to increase franchise fees and the administrative vehicle release fees for towed and impound vehicles. Also, for approval for the Police Department to proceed in issuing the request for qualifications from qualified tow companies and the issuance of new franchise agreements. Currently the Franchise Agreements are expired and they have been going month to month with the tow companies. The franchise fees are established under CVC 12110 which enables public entities to recover a fee in connection with award of a franchise agreement. Currently the franchise fee is \$25 a vehicle and it's low because there has not been an increase in nine years. Currently the administrative fee is \$160 and had not been updated since 2005. They are recommending that the franchise fee be increased to \$95 and the administrative fee to be increased to \$224.

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Dawn Kirk, Superior Towing, expressed her concern of not being added to the month to month agreements along with the other tow companies until the new franchise agreement goes into effect. She expressed her concern that they are only rotating two tow companies and encourages City Council to not approve the fee increases.

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City Attorney Gutierrez stated notwithstanding the fact that the agreements have expired there is no automatic authority under the ordinance to grant another franchise. He had explained to Mrs. Kirk what they will be doing and this item will be on the agenda to proceed with the process.

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Council Member Robertson stated that it seems they are over asking for the fees.

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NEW BUSINESS

TAB 5 – Increase of franchise fees and vehicle release fees

Police Chief Mark Kling stated that they have not increased the fees in nine years. The recommended amount is an accurate account of what it takes police employees to tow, impound and eventually release a vehicle. As far as adding companies to the rotation at this point is duplicating efforts because they will start the RFQ process tomorrow if approved this evening. To award one company they will need to award several companies that have the same argument. They already have two companies that have gone through the process and have been selected. Keep it the way it is now and the companies need to wait the 90 days to go through the process.

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Council Member Robertson stated that they held three spots in the past for the franchise agreement what will be their intention now.

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Police Chief Mark Kling stated that he will review the RFQs and find the most qualified and make a recommendation, but he cannot give a specific number tonight because he doesn't know what will be submitted. He doesn't want to give out false hopes that there will only be a certain number of franchise agreements.

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Council Member Robertson asked what about the comment that the City is in violation of the RMC.

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City Attorney Gutierrez stated that it's true that the franchise agreements have expired. As to the two that are currently providing service that have gone through the proper evaluation and process. They will remedy being in violation by proceeding with what Police Chief Mark Kling has recommended.

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Council Member Palmer stated he appreciates the time the police department took to find the correct amount of the increase.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 4-0 vote to adopt Resolution No. 5684 approving an increase to the Franchise Fees and Vehicle Release Fees for vehicles being towed within the City. Council Member Scott was absent.

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NEW BUSINESS

TAB 6 – Fiscal Year 2007/08 Annual Financial Statements

June Overholt, Chief Financial Officer stated that this is the annual audited financial statements for the year ending June 30 2008. The auditors play a key role in helping the city maintain fiscal policies and financial stability in its strategy. The City's financial statements are fully in compliance of GASB 34. There is a compliance report, a management report and a letter to the Mayor and City Council that outlines anything they find in their audit process. They also have an independent auditors report on the UUT. Finally this year they have an appropriation limit compliance letter stating they are in compliance with GANN.

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Katherine Beseau of Macias, Gini and McConnell presented the Fiscal Year 2007/08 Annual Financial Statements audit reports.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 4-0 vote to receive and file the Fiscal Year 2007/08 Annual Financial Statements and related documents. Council Member Scott was absent.

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TAB 7 – 2008/09 Midyear Presentation

June Overholt, Chief Financial Officer presented the midyear adjustments for fiscal year 2008/09.

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Council Member Robertson stated that she is concerned because the fiscal year ends June 30th and from what she can tell they had a one time source that helped them balance it out for the remainder of this year. When will they discussion what the picture is going to be like as they move forward for the 09/10 fiscal year.

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City Administrator Henry Garcia stated that they will present a budget calendar to City Council next week. They have presented a revenue plan and they will be present some forecasting and decisions in terms of how they are going to manage the incremental movement from July 1. They are looking for \$10 million - \$13 million in new revenue. The revenue plan they will project will come close to that number and by the Fall they should know whether they attained that number.

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Council Member Robertson stated right now with the proposed revenue plan and assuming they are successful and if they are not are they roughly \$15 million short going into the new fiscal year?

NEW BUSINESS

TAB 7 – 2008/09 Midyear Presentation

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City Administrator Henry Garcia stated that if they do not adopt the revenue plan they will not be \$15 million short for this fiscal year the revenue projection number that they have outlined were specific for 2011 and imposition of the new MOU for existing employees or that number could be as high as \$15 million.

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June Overholt, Chief Financial Officer stated that what Finance is doing is that they received the budgets from the departments and have requested that the departments reduce their budgets by 10%. They know that some departments 10% means it will affect employees so they will look at that make the determination of how far they are off from the goal to balance the budget for next year.

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Council Member Robertson stated that she knows that the Finance Director and City Administrator had meetings with all the departments to explain. The Finance Director has explained before and talked about them not seeing the true picture because they are two quarters behind on knowing what they are actually going to receive in terms of the dollars that should be generated off property and sales tax. They just had an eye opening discussion last week by the Chief Deputy of the State of California Dept. of Finance giving them a glum picture that they are not anticipating the State coming out of this until about 2011/12. They need to get the point were they are saying very clear to the public of where they are in this situation. In the midyear they are asking to reserve \$1.4 million for 2009/10, so they already know they need something to offset what could potentially be a deficit.

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June Overholt, Chief Financial Officer stated she is not going to say she knows they will need that specific amount but it is to offset the unknown or what could be the need.

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City Administrator Henry Garcia stated that they never stated from his perspective to the Mayor and City Council that the upcoming or existing budget is about more services. Its not an improvement in service and it is not more service but its saving jobs and providing existing services.

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NEW BUSINESS

TAB 7 – 2008/09 Midyear Presentation

Council Member Robertson stated that she is not saying more service but she is hearing that they need to be consistent because they have no ability to add to the pie. They are going to spend time trying to find revenue to try and keep what they currently have on board. As they go forward new positions will need to be identified in this next fiscal year. Where are they putting new positions such as the Public Relations Officer?

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June Overholt, Chief Financial Officer stated that anything related to Council will be placed within the City Council budget area.

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Deborah Robertson stated this will be above what they already have available to expend.

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June Overholt, Chief Financial Officer stated yes, when a new position is added then that dollar amount is added to the budget.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 4-0 vote to adopt **Resolution No. 5679**, **RDA Resolution No. 668** and **RUA Resolution No. 01-09** amending estimated revenues and appropriations for the FY 08/09 budgets of the City, Rialto Utility Authority and Redevelopment Agency. Council Member Scott was absent.

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SUB-SEQUENT NEED ITEM

TAB 8 – MOU with West Valley Water District

City Attorney Gutierrez stated that this is a Memorandum of Understanding with the West Valley Water District (WVWD), The City of Rialto and the Rialto Utility Authority. The purpose is to allow the two entities to proceed to seek funding for perchlorate wellhead treatment at two wells. One well belonging to the City of Rialto Well No. 6 and one well belonging to the West Valley Water District Well No. 11. There is currently funding available for this project but the application together with the design must be done by the end of August and submitted to obtain funding. Assuming the funding is obtained WVWD will be responsible for the construction and operation of the facility but Rialto will take all the clean water from its own well and have access from the WVWD Well. This agreement was discussed last week and completed yesterday. WVWD intends to approve it at their meeting next Thursday because they want to make sure they have everything in place.

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SUB-SEQUENT NEED ITEM

TAB 8 – MOU with West Valley Water District

Council Member Robertson stated that she will abstain from voting on this item because she hasn't had a chance to view the MOU.

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Mayor Pro Tem Baca Jr. stated that this is one issue they will try to do everything they can to get it cleaned up for the residents. This is a great partnership with WVWD which serves about 45% of the Rialto residents. This is important because they have a deadline of August to request \$15 million through the Prop. 84 State money.

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Council Member Palmer stated that he had the opportunity to come in early and read the MOU page by page. He does think it's necessary but what is the urgency tonight. How will the vote go with Council Member Robertson abstaining and they need a 4/5th vote.

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City Attorney Gutierrez stated that three votes is sufficient. Her abstention actually counts as a yes vote she's just not saying yes.

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Council Member Robertson stated she is not abstaining because she doesn't believe it's a great project, its just that she didn't have any prior knowledge of any discussion on this even during the week. Then finding it this morning on my desk and not have a chance for discussion she would rather abstain. She begs to differ on abstaining is taken as a "yes" vote. She wants it recorded as an abstention from the action.

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City Attorney Gutierrez stated the urgency is that WVWD wants to move forward with the bigger project that will do both wells and its more cost efficient. They are also spending money entering into contracts; they want to know if they have a partner. Time is running out and they need to let those contractors know so a design can be ready for submittal by the deadline in August.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 3-0 vote to approve the MOU with West Valley Water District to seek funding for perchlorate wellhead treatment. Council Member Robertson abstained. Council Member Scott was absent.

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Mayor Pro Tem Baca Jr. left the meeting at 8:20 p.m.

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ORAL COMMUNICATIONS

Resident of LaVerne expressed his concern regarding the high fees to release his towed vehicle after attending an event in Rialto over the weekend.

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Police Chief Mark Kling stated that this is a problem area. Signs were erected to even cite people for trespassing. It's been about 5 months since they had problems however the signs are to not allow private property parking if you are not a customer of the facility. It wasn't right that the security guard didn't warn those that parked there for the event at Eisenhower High School.

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Representative from Congressman Baca's Office invited everyone to the Education Summit the Congressman is hosting on Friday.

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REPORTS

Council Member Palmer stated that he had conversations with citizens regarding the status of graffiti. Tackling the graffiti is getting better and they still pockets they need to address.

Council Member Palmer stated that he attended the Annual Women's Conference at the Senior Center.

He attended the League of California Cities where they received grim reports on the status of the economy.

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Council Member Robertson stated the 3rd Annual Women's Conference was a great success.

She stated that on Friday she had the opportunity to tour the Enertech project and the Chevron project.

She wished her granddaughter Charli a Happy 17th Birthday.

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Mayor Vargas stated that she attended the Employees Recognition Luncheon.

Mayor Vargas stated that she will be gone for few days in Arizona because her 9 month old great-granddaughter has been ill.

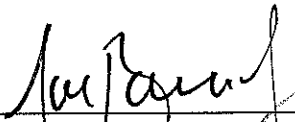
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ADJOURNMENT

Motion by Council Member Robertson, second by Council Member Palmer and carried by a 3-0 vote to adjourn the Meeting. Council Members Scott and Baca Jr. were absent.

The City Council adjourned at 8:42 p.m.

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MAYOR GRACE VARGAS Mayor Pro-Tem

ATTEST:



CITY CLERK BARBARA A. McGEE

